## Remarks

Withdrawal of the final rejection and reconsideration of this application is respectfully requested in view of the following remarks.

The claims present in this application are claims 1-34 and 80-106. All claims are presently rejected.

Claims 1-3, 5, 6, 8, 9, 13-34, 80-84, 86-93, 95, 96, and 100-106 have been finally rejected under 35 USC 103(a) as obvious in view of Chader et al. (U. S. Patent No. 5,617,857) hereafter the "Chader patent". The examiner acknowledges that the Chader patent only discloses a hard wired device. However, the examiner alleges that since wireless transmission is old and well known, it would be obvious to modify the structure disclosed by the Chader patent to include wireless transmission. The examiner cites *In re Jones* for the proposition that where there is a limited universe of potential options, the selection of a particular option within that universe is obvious. The examiner also indicates that "wireless transmission would be desirable to eliminate a binding attachment between components allowing free movement and less entanglements." This rejection is respectfully traversed.

The Chader patent only discloses a hard wired device and does not in any way disclose or suggest a device using wireless two way communication as the only bi-directional communication link between the tracking device and the navigation system. In the context of a tool or instrument for use in surgery, the use of a hard wired system can make the maintenance of the sterile surgical field more difficult. As indicated in the present specification, typical prior systems and instruments for use with these prior systems required careful segregation between the sterile surgical field and the computer that manages the navigation system. The presence of a series of hard wired instruments will complicate this problem. Further since each hard wired instrument must be physically plugged into the navigation system, this can limit the number of instruments that can be registered with a navigation system at a single time.

As indicated in the present application, any number of devices can be used with the system at the same time. Lastly, the system disclosed by the Chader patent specifies that it is the physical connection of the instrument to the system that triggers the recognition of the instrument by the system. The instruments of the present invention do not require any physical connection in order for the system to recognize them and begin the registration process. As soon as a new instrument of the present invention is placed within the view of the system, the system recognizes the presence of that new instrument because of the wireless two way communication possible between the instrument and the system. The system then will begin the process of registering that instrument with the system. For at least these reasons, it is contended that the Chader patent does not render the above rejected claims obvious and this rejection of these claims should be withdrawn.

The examiner has also rejected claims 1-3, 5, 6, 8, 9, 13-34, 80-84, 86-93, 95, 96, and 100-106 as obvious in view of the Chader patent in view of the Acker et al. patent (U. S. Patent No. 6,453,190) hereinafter the "Acker patent." The examiner has cited the Acker patent for the proposition that it would be obvious to substitute wireless communication for hard wired communication in the Chader patent. This rejection is respectfully traversed.

The Acker patent does not disclose a device that communicates bi-directionally with a navigation system as required by the present invention. While it is true that the Acker patent does disclose in one passage that wireless communication can be used in place of a hard wired system, the type of communication described by the Acker patent is very different from that as claimed. The Acker patent is directed to transducers that perform function equivalent to the light emitting diodes as claimed in the devices of the present invention. There is no communication from the navigation systems to the devices in Acker only communication from these devices to a navigation system to indicate the position of the instrument and similar information. This is very different from the bi-directional communication required by the claims of the present invention. In view of the above, it is contended that the Acker patent does not removed the deficiencies of the disclosure of Chader patent and that further rejection of the above claims as obvious in view of the Chader patent and the Acker patent is unwarranted and should be withdrawn.

The examiner has also rejected claims 4, 7, 10-12, 85, 94, and 97-99 as obvious under 35 USC 103(a) in view of the Chader patent. This rejection is respectfully traversed.

Since claims 4, 7, 10-12, 85, 94, and 97-99 are all claims that are dependent upon claims that applicant considers are non-obvious as discussed above, it is contended that these claims also are in condition for allowance and the final rejection should be withdrawn.

Lastly, the examiner has rejected claims 4, 7, 10-12, 85, 94, and 97-99 as obvious under 35 USC 103(a) over the Chader patent in view of the Acker patent. This rejection is respectfully traversed.

For the same reasons as stated above relative to the rejection of these claims based on the Chader patent, it is contended that further rejection of these claims is no longer warranted and should be withdrawn.

It is applicants' position that all claims presented for examination are in condition for allowance and that the final rejection of these claims should be withdrawn and all claims allowed.

If the examiner has any questions relating to this application, the examiner is requested to contact the undersigned by telephone.

Reconsideration and allowance of the claims are respectfully requested.

Respectfully submitted,

McCracken and Frank

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200 W. Adams

Reg. No: 25,626

Suite 2150 Chicago, Illinois 60606 (312) 263-4700

Customer No: 29471